

ATTACHMENT A

DEMAND BIDDING PROGRAM

Attachment A of Decision 01-07-025 is modified as follows:

2.6. Demand Bidding Program(DBP)

2.6.1. The Offer

- 2.6.1.1. Participants will submit bids to a DBP website. In addition, the utility distribution companies (UDCs) may notify customers via the internet and other means of communication as needed of DBP events on a day-ahead basis.
- 2.6.1.2. Participants will have until 1:00 p.m. on the day before a bidding day to submit their bids. Bidding will be accepted for non-holiday weekdays only.
- 2.6.1.3. Participants will indicate the amount of kilowatt (kW) curtailment they are offering, at each price level for designated hourly blocks of the next day.
- 2.6.1.4. Participants will be able to submit bids for the program in any or all of three four-hour time blocks, and at one of ~~three~~ **four** price tiers. The UDC ~~California Department of Water Resources (DWR)~~ may offer price tiers of 15, 35, ~~and 55, and 75~~ cents per kWh or alternatively price tiers of 10, 30, ~~and 50, and 70~~ cents per kWh. The three time blocks are 8:00 a.m. to 12 Noon, 12 Noon to 4:00 p.m., and 4:00 p.m. to 8:00 p.m.
- 2.6.1.5. The participant's bid must be the same amount of kW and at the same price tier for each hour of the four-hour time block.
- 2.6.1.6. Only one bid per customer account may be submitted for each four-hour block.

2.6.2. DBP Offer Evaluation and Confirmation

- 2.6.2.1. By 4:00 p.m. on the day before the proposed curtailment, the UDC ~~DWR~~ will evaluate each offer ~~aggregated by each UDC~~ for each four-hour block and ~~confirm with the UDC acceptance or rejection of the offer. The DWR will~~ accept or reject all the bid megawatts (MWs) at any price tier ~~for each UDC~~. The UDC ~~DWR~~ must accept or reject each offer in its entirety for each four hour block.
- 2.6.2.2. ~~As part of the evaluation the California Independent System Operator (ISO) may consult with the California Energy Resource Scheduling Division of DWR regarding the anticipated price of generation and power purchases for the next day and the DWR will decide which offers to accept and~~

~~confirm.~~ Each offer will be accepted based on the lowest cost curtailment offers for the needed hours.

2.6.2.3. ~~Once a bid is accepted and notice of acceptance is sent to the UDC, the ISO will send no additional information to curtail load.~~

2.6.2.4. ~~The UDC~~ Customers will ~~be notified~~ customers of bid acceptance at approximately 5:00 p.m. on the day before the curtailment, ~~once the UDCs receive the bids that the DWR has accepted.~~

2.6.3. DBP Performance Verification and Payment

2.6.3.1. The UDC will track the curtailment of participating customers. The UDC will review the performance meter data against the accepted bids and calculate the payment due to the participating customers.

2.6.3.2. UDCs ~~shall pay~~ will distribute incentive amounts due to individual participants within 90 days of a DBP event, ~~and distribution will not be contingent upon payment from DWR within that time frame.~~

2.6.3.3. ~~The DWR reserves the right to audit the performance submitted by the UDCs in accordance with the DBP bid.~~

2.6.3.4. ~~Performance payment data will be forwarded to the DWR to make payments to the UDCs.~~

2.6.3.5. ~~UDCs will be paid in accordance with the funding mechanisms agreed to between the UDCs and DWR.~~ Program expenses shall be tracked in the memorandum account authorized to track interruptible program expenses. (D.01-04-006, Ordering Paragraphs 15 and 16; D.01-07-029, Ordering Paragraphs 2 and 3; D.02-04-060, Ordering Paragraph 19.)

2.6.3.6. Participants will only be paid for a maximum of 150 percent of their accepted bid kW load drop for a given four-hour block. Participants must drop at least 50 percent of their bid load drop to qualify for any payment in any hour of a given four-hour block. In no case will a customer be paid an incentive if load drop does not meet 10% of the customer's average annual demand but not less than 100 kW.

2.6.3.7. Baseline load for measuring load drop will be computed pursuant to the existing Voluntary Demand Response Program (VDRP) methodology.

2.6.3.8. If requested by the ~~DWR or~~ ISO, the UDCs may cancel a curtailment event. The UDCs will try to provide as much advance notice as is reasonable under the circumstances. UDCs shall pay for accepted ~~those bids accepted by DWR~~ for an event that is cancelled ~~by DWR~~.

2.6.4. Participation Requirements

To participate in the program, customers must meet the following minimum requirements:

- 2.6.4.1. Individual bids should be a minimum of 10 percent of each customer account's average demand, but not less than 100 kW per customer account. No aggregation of customer accounts will be allowed.
- 2.6.4.2. Customers must have an interval meter. For customers over 200 kW the meter will be provided pursuant to the CEC's real time electric meter (RTEM) program, based on available funding. For customers under 200 kW the meter will be provided pursuant to existing VDRP procedures under which expenses are recorded in a memorandum account for future rate recovery. ~~The ISO will work with discretionary load curtailment program (DLCP) customers to add interval meters.~~ Customers who receive meters at “no charge” will be obligated to perform in at least 10 events and remain on the program for one year consistent with existing tariff provisions of the VDRP.
- 2.6.4.3. Participants may not be enrolled in either the ISO's Demand Relief Program, or the Participating Load Program, also known as the Ancillary Services Load Program. Customers may achieve load drop by operating back-up or onsite generation. The customer will be solely responsible for meeting all environmental and other regulatory requirements for the operation of such generation.

(END OF ATTACHMENT A)